

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 18, 2017

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB74 by Nelson (Relating to the provision of certain behavioral health services to children, adolescents, and their families under a contract with a managed care organization.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would allow certain behavioral health providers to provide Targeted Case Management (TCM) and psychiatric rehabilitation services to children, adolescents, and families through Medicaid managed care organizations (MCOs). The bill would restrict application of certain Health and Human Services Commission (HHSC) rules and guidelines. The executive commissioner of HHSC would be required to adopt or amend any rules or guidelines by January 1, 2018.

The bill would require HHSC to do the following with regard to MCOs that provide behavioral health services through a third party or a subsidiary: (1) require sharing and integration of certain data between the MCO and the third party or subsidiary; (2) encourage the colocation of physical health and behavioral health care coordination staff; (3) require warm call transfers between physical health and behavioral health care coordination staff; (4) require the implementation of joint rounds for physical health and behavioral health services providers or some other means for sharing clinical information; and (5) ensure the availability of a seamless provider portal for both physical health and behavioral health services providers, to the extent allowed by federal law.

The bill would take effect immediately upon a two-thirds vote from all members of each house or, if such a vote is not received, on September 1, 2017.

According to HHSC, the provisions of the bill related to TCM and psychiatric rehabilitation services, do not require any change from current practice and any cost associated with adopting or amending rules can be absorbed within existing resources.

According to HHSC, the provisions of the bill related to MCOs that provide behavioral health services through a third party or subsidiary, could be implemented within existing resources. However, HHSC has the authority to set rates, including establishing MCO premiums, and if they were to adjust premiums as a result of the provisions of the bill there could be a cost to the state.

#### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission  
**LBB Staff:** UP, KCA, LR, RGU